

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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In re:

FRALEG GROUP, INC.,

Chapter 7

Case No. 1-22-41410-jmm

Debtor.

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**APPLICATION FOR THE RETENTION OF MYC & ASSOCIATES, INC., AS REAL
ESTATE BROKER TO THE CHAPTER 7 TRUSTEE**

TO: THE HONORABLE JIL MAZER-MARINO
UNITED STATES BANKRUPTCY JUDGE
EASTERN DISTRICT OF NEW YORK

The Application of Richard J. McCord, as Chapter 7 Trustee of the above-captioned Debtor respectfully represents as follows:

1. On June 17, 2022 (the “Petition Date”), Fraleg Group, Inc. (the “Debtor”), filed a voluntary petition for relief pursuant to Chapter 11 of the United States Code (11 U.S.C. §101 *et seq.*, “Bankruptcy Code”).

2. On December 18, 2023, the case was converted to one under Chapter 7. On December 19, 2023, Richard J. McCord was appointed Trustee for the Estate (the “Trustee”) and is now qualified and act as such Trustee.

3. The Trustee seeks a Court Order, pursuant to Local Rule 2014-1 of the Local Rules of the Eastern District of New York and Section 327 of the Bankruptcy Code authorizing the retention of MYC & Associates, Inc. (“MYC”) as Real Estate Broker to the Trustee and believes MYC to be qualified to act as such in connection with concluding and settling the sale of the real property located at 116 N. Walnut Street, East Orange, New Jersey 07017 (the “Real Property”).

4. During the Chapter 11 case, on December 20, 2022, the Debtor filed the Reorganized Debtor's Application for Retention of MYC & Associates, Inc. as Real Estate Broker Effective as of December 1, 2022 (Dkt. No. 71), which was approved pursuant to Court Order dated February 16, 2023 (Dkt. No. 78).

5. On June 29, 2023, the First and Final Application for Allowance of Fees and Reimbursement of Expenses to MYC & Associates, Inc., as Real Estate Broker to the Debtor, was filed (Dkt. No. 91), for services rendered to the Debtor from December 1, 2022 through April 1, 2023. Pursuant to Court Order dated July 31, 2023 (Dkt. No. 99), MYC was awarded fees in the amount of \$16,217.50 and expenses in the amount of \$1,577.12.

6. As can be seen from the Affidavit of Marc Yaverbaum ("Yaverbaum Affidavit"), annexed hereto as "**Exhibit A**", MYC is a disinterested party, as such term is defined in Section 101(14) of the Code, with respect to the Trustee, the Debtor, and his Estate in the matters upon which MYC is to be engaged by the Trustee except as stated in the Affidavit and this Application. MYC's work for the Debtor was limited as the Debtor desired to restructure its debt on another property by way of refinancing.

7. MYC is a full-service asset management firm whose principals have been engaged in this field for many years and have dealt with the type of real property involved in this case. MYC is duly licensed to transact business as a real estate broker and Marc Yaverbaum is permitted to represent the firm as such.

8. The Trustee submits that the retention of MYC, as Real Estate Broker, effective, December 20, 2023, if approved, would enable the greatest recovery and would be in the best interests of the estate, its creditors, and other parties in interest.

9. The professional services which MYC shall render to the Trustee include marketing and selling the Real Property. Any fees claimed to be owed to MYC in this matter are subject to the approval by the United States Bankruptcy Court. MYC is requesting that the Court allow a real estate broker commission in the amount of six (6%) percent of the gross selling price.

10. MYC shall be permitted to co-list and co-broker the Real Property as they deem necessary and appropriate. In the event of the involvement of a co-broker or co-listing agent, the commission shall never exceed six percent (6%) of the gross selling price of the Real Property.

11. MYC agrees that the payment of the commissions earned by MYC, and reimbursement of expenses in this matter will only be paid to MYC upon the submission of the proper application made to the Court with prior consent and approval by the Trustee and his counsel.

12. To the best of Trustee's knowledge, MYC does not have any connection with the Trustee, the Debtor's creditors or any other parties in interest or their respective attorneys or accountants, the United States Trustee or any person employed in the Office of the United States Trustee.

13. MYC, is a disinterested party, as such term is defined in Section 101(14) of the Code, with respect to the Trustee, Debtor and its Estate in the matters upon which MYC, is to be engaged by the Trustee.

14. The Trustee seeks to execute on behalf of the Debtor's estate, the Exclusive Right-to-Sell Marketing and Sales Agreement ("Agreement"), which is annexed as Exhibit A to the Yaverbaum Affidavit. Pursuant to the Agreement, MYC agrees to promote and broker the Real Property in its usual way to obtain the highest possible selling price for the Real Property.

In addition, the expenses referenced in Section 4 of the Agreement, MYC shall also be permitted to seek reimbursement for all expenses unrelated to the marketing and sale of the Real Property, including but not limited to, property insurance, title searches and securing the Real Property. The Bankruptcy Court shall retain jurisdiction over the Agreement.

WHEREFORE, the Trustee respectfully prays for an Order of this Court authorizing the Trustee to retain MYC & Associates, Inc., effective December 20, 2023, to act as his Real Estate Broker in connection with the sale of the Debtor's real property located at 116 N. Walnut Street, East Orange, New Jersey 07017; together with such other and further relief as to this Court may seem just and proper.

Dated: East Meadow, New York
January 4, 2024

/s/ Richard J. McCord
RICHARD J. MCCORD, ESQ.
Chapter 7 Trustee for the Estate of
Fraleg Group, Inc.
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East Meadow, New York 11554
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